2014 Half-Year Results Briefing

19 February 2014

100 years Thousands of stories

Wesfarmers

Presentation outline

Group Performance Highlights

Richard Goyder
Managing Director, Wesfarmers Limited

Group performance highlights

- Operating revenue of $31.9 billion, up 4.0%
- Earnings before interest & tax of $2,154 million, up 5.4%
- Net profit after tax (NPAT) of $1,429 million, up 11.2%
- Earnings per share of $1.24, up 11.5%
- Return on shareholders' funds (R12) of 9.4%, up 6.8%
- Strong liquidity position; fixed charges cover of 3.0 times, up from 2.9 times at 31 December 2012
- Fully franked interim dividend of $0.85 declared, up 10.4%

Group performance highlights (continued)

Retail

- Coles: strong earnings growth & increased return on capital highlighted successful transition to next phase of growth
- Bunnings: very good result with growth in all regions & customer segments; continued to execute strategic agenda to plan
- Officeworks: improved sales & earnings momentum; store & on-line market channels further improved
- Kmart: solid earnings growth driven by further improvements in merchandising & store productivity; accelerated renewal activity
- Target: earnings affected by high levels of winter clearance activity which delayed spring/summer launch; good progress made to improve organisational capability through renewal of senior leadership team

Group performance highlights (continued)

Insurance

- Strong increase in underlying underwriting earnings; reported earnings affected by $45 million Christchurch Earthquake (EQ2) reserve increase; solid broking earnings growth driven by good performance of NZ business

Industrial

- Resources: lower export coal prices affected revenue; strong focus on cost control; improved production performance
- Industrial & Safety: industrial supply market conditions remained challenging; strong focus on cost control
- WES CEF: Nitric acid/ammonium nitrate number three plant (NA/AN3) commissioning underway; underlying earnings growth driven by increased Kleenheat Gas contribution; $95 million gain on sale of Air Liquide WA (ALWA)

Group performance highlights (continued)

Group

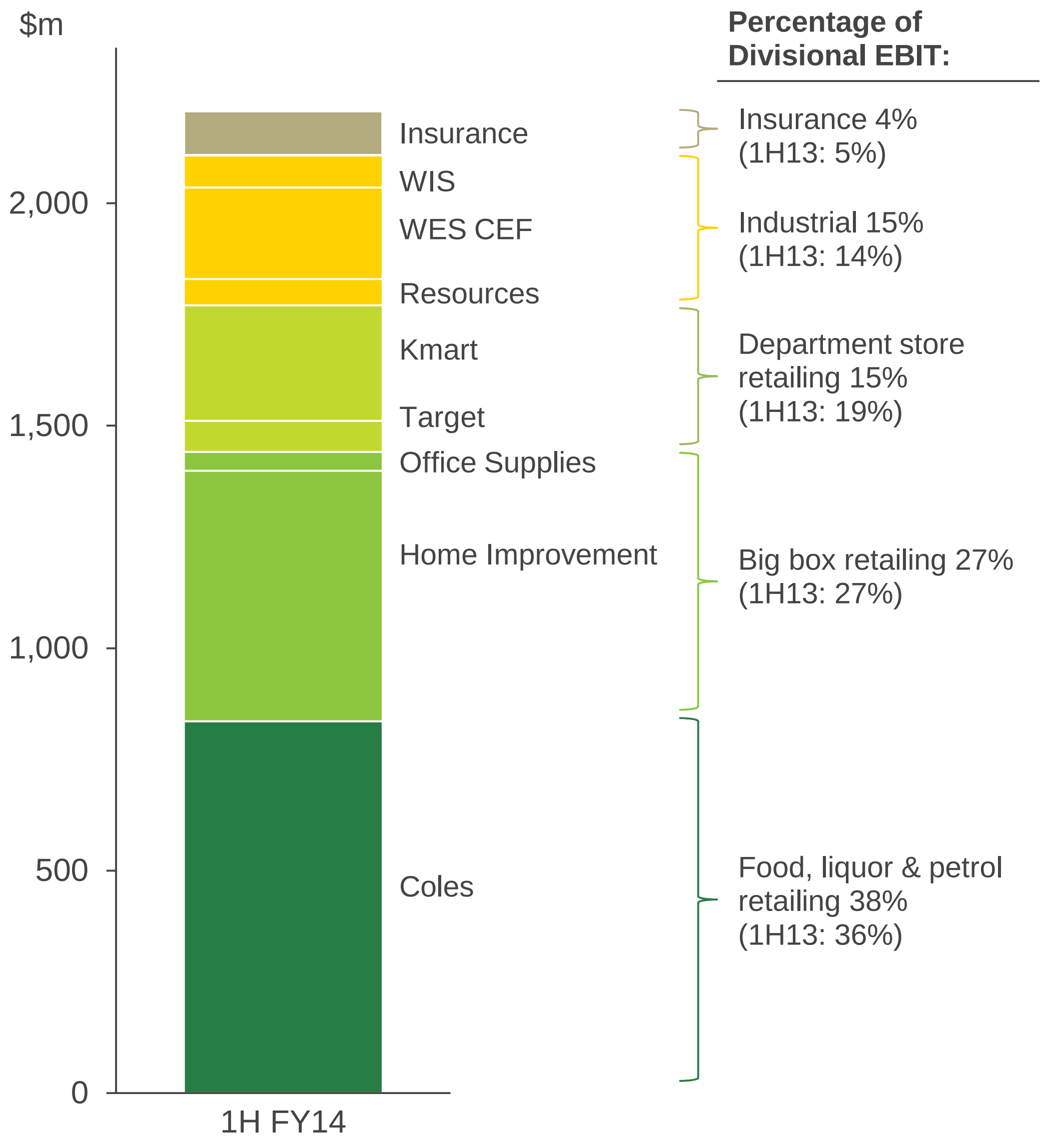
- Managed the portfolio to deliver satisfactory returns to shareholders
  - Agreement to sell the Insurance division's underwriting operations to Insurance Australia Group for $1,845 million (remains subject to regulatory approvals)
  - Disposal of 40% interest in ALWA
  - Acquisition of Mineral Development Licence 162 by the Resources division (January 2014)
  - Capital return of 50 cents per share in November 2013, returning $579 million to shareholders
- Continued to improve capital efficiency
- Maintained strong balance sheet & access to capital
- Continued to leverage & build human resource capability
  - Smooth leadership succession at Coles

Group performance summary

Half-Year ended 31 December ($m)	2013	2012	%
Operating revenue	31,853	30,614	*4.0*
EBITDA	2,710	2,574	*5.3*
EBIT	2,154	2,043	*5.4*
Finance costs	(179)	(229)	*21.8*
Tax expense	(546)	(529)	*(3.2)*
Net profit after tax	1,429	1,285	*11.2*
Operating cash flow	1,757	2,207	*(20.4)*
Earnings per share (excl. employee res. shares) (cps)	124.2	111.4	*11.5*
Earnings per share (incl. employee res. shares) (cps)	123.9	111.2	*11.5*
Operating cash flow per share (incl. employee res. shares) (cps)	152.2	190.7	*(20.2)*
Fully franked dividends per share (cps)	85	77	*10.4*
Return on shareholders' funds (R12) (%)	9.4	8.8	*6.8*

Strength through diversified earnings

Divisional EBIT



Half-Year ended 31 December ($m)	2013	2012	%
Coles	836	755	*10.7*
Home Improvement	562	518	*8.5*
Office Supplies	42	38	*10.5*
Target	70	148	*(52.7)*
Kmart	260	246	*5.7*
Insurance[1]	99	104	*(4.8)*
Resources	59	93	*(36.6)*
WES CEF[2]	205	104	*97.1*
Industrial & Safety	73	88	*(17.0)*
Divisional EBIT	2,206	2,094	*5.3*
Other	7	6	*16.7*
Corporate overheads	(59)	(57)	*(3.5)*
Group EBIT	2,154	2,043	*5.4*

[1] Earnings for the December 2013 half-year include an increase in reserve estimates for the 22 February 2011 Christchurch earthquake (EQ2) of $45 million.

[2] Earnings for the December 2013 half-year include the $95 million gain on sale of the 40% interest in ALWA.

Return on Capital

- Focus on return on capital to deliver satisfactory shareholder returns

	2013			2012
Rolling 12 months to 31 December	**EBIT ($m)**	**Cap Emp ($m)**	**ROC (%)**	**ROC (%)**
Coles	1,614	16,204	10.0	9.2
Home Improvement	948	3,430	27.6	25.5
Office Supplies	97	1,118	8.7	7.5
Target	58	2,985	1.9	7.1
Kmart	358	1,332	26.8	22.8
Insurance	200	1,493	13.4	6.7
Resources	114	1,460	7.8	19.4
Industrial & Safety	150	1,111	13.5	16.2
Chemicals, Energy & Fertilisers[1]	255	1,487	17.1	19.8

[1] Excludes the $95 million gain on sale of the 40% interest in ALWA.

Coles

Ian McLeod
Managing Director

Coles performance summary

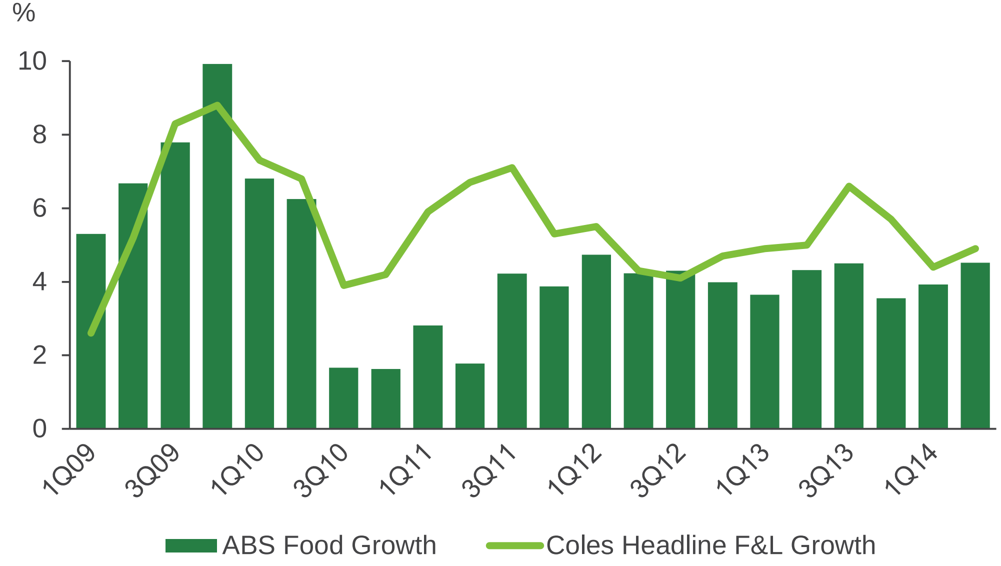
Half-Year ended 31 December ($m)		2013	2012	↕ %
Coles Division	Revenue	**18,946**	18,047	*5.0*
	EBIT	**836**	755	*10.7*
	ROC (R12 %)	**10.0**	9.2	
	Safety (LTIFR YTD)	**6.8**	10.2	
Food & Liquor	Revenue[1]	**14,770**	14,104	*4.7*
	Total store sales growth %[2,3]	**4.7**	5.0	
	Comp store sales growth %[2,3]	**3.6**	3.8	
	EBIT[4]	**755**	677	*11.5*
	EBIT margin %	**5.1**	4.8	
Convenience	Revenue	**4,176**	3,943	*5.9*
	Comp store sales growth %[2]	**2.9**	(2.2)	
	Comp fuel volume growth %[2]	**(0.7)**	2.0	
	EBIT	**81**	78	*3.8*
	EBIT margin %	**1.9**	2.0	

[1] Includes property revenue 2013 $13 million, 2012 $15 million. [2] 2013 growth reflects the 27 week period 1 July 2013 to 5 January 2014, & the 27 week period 2 July 2012 to 6 January 2013. 2012 growth reflects the 27 week period 25 June 2012 to 30 December 2012 & the 27 week period 27 June 2011 to 1 January 2012. [3] Includes hotels, excludes gaming revenue & property. [4] Includes property EBIT 2013 $10 million, 2012 $14 million.

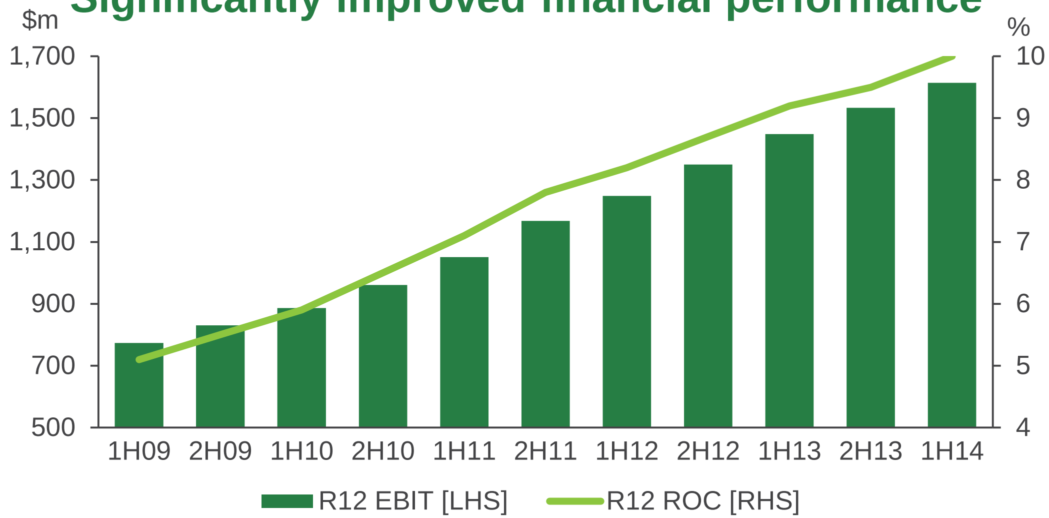
Coles performance summary

- Market leading performance
  - Strong underlying volume growth
  - Continued increase in basket size
  - Record Christmas transaction numbers
- Significantly improved financial performance
  - More than doubled EBIT in five years
  - Food & Liquor EBIT margin now over 5%
  - ROC now at 10.0%
- Culture of continuous improvement
  - Absenteeism down more than 30% in five years
  - Supermarket labour efficiency up 30% in five years
  - LTIFR at lowest level since 2008

Market leading performance

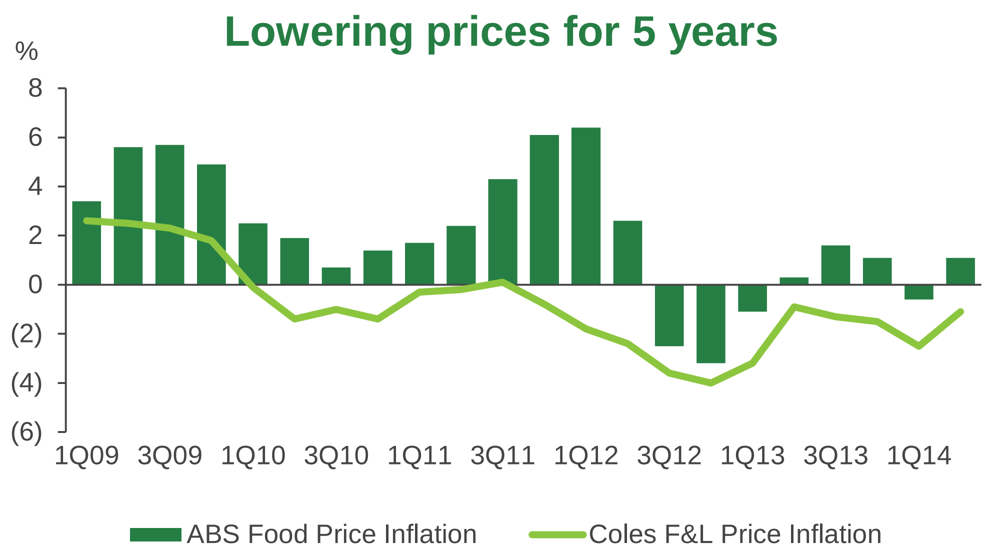


Significantly improved financial performance



Value, quality & innovation

- Value leadership driving sales density
  - Down Down, Unreal Deals, Super Specials
  - Personalised offers & instant offer activation with flybuys
- Better quality building fresh credentials
  - Co-investing with local suppliers
  - Extended responsible sourcing initiatives
  - Australia First sourcing policy for Coles brand
- Focus on innovation for future sales growth
  - Coles Finest re-launched during the half
  - New products focused on health & convenience including 10 new Gluten Free products
  - Exclusive partnership with Heston Blumenthal



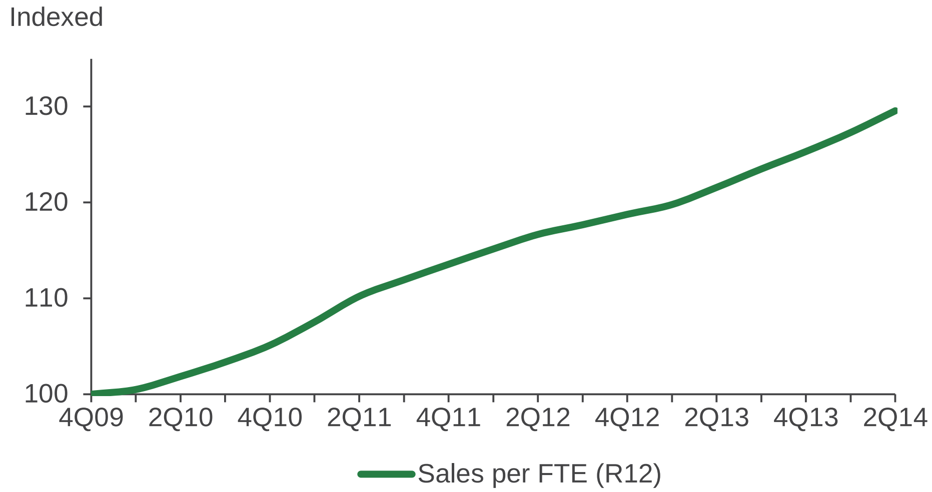
Efficiencies & productivity

- Building & investing in smarter stores
  - Improving store productivity through "Right Team, Right Time"
  - Investing in new customer facing technology to drive sales & efficiencies
  - Trialling "Easy & Assisted Ordering" for meat, bakery & fresh produce with roll-out to come

- Driving a better transport network
  - Improved route planning & execution
  - Better collaboration with suppliers & contractors

- Improving our DCs
  - Continued improvement in inventory & working capital
  - Leveraging new technology in DCs

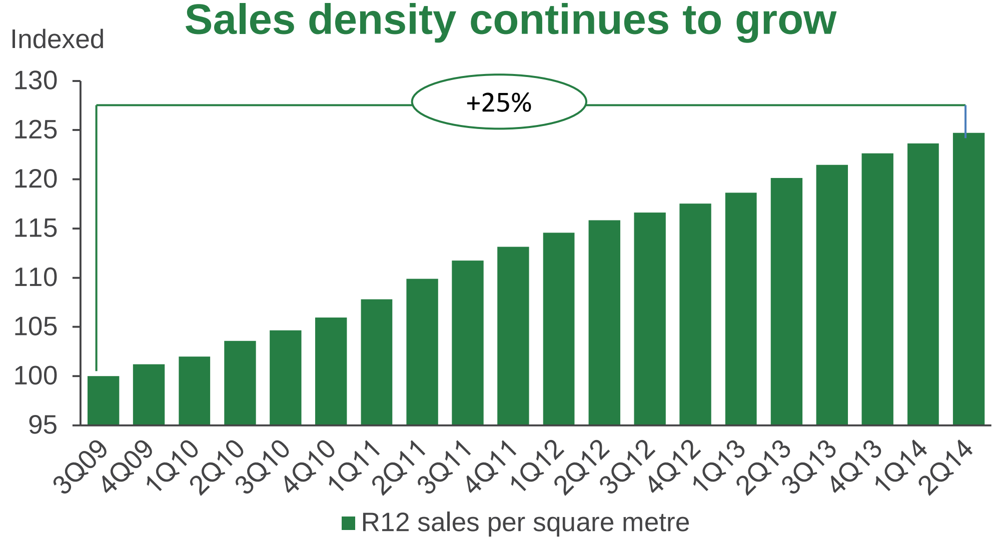
Continuing journey towards efficient stores



Shaping the future store network

- Strong store pipeline for future growth
  - 2.3% net selling area growth since 1H13
  - Targeting “bigger, better” stores
  - Underpins strong sales density improvement
- Accelerated renewal program
  - 382 stores now in renewal format
  - Launched three new food services superstores
- Recycling capital through active property management
  - 11 sites sold during the half to generate ~$140 million
  - ISPT JV now includes 20 properties

Sales density continues to grow



New businesses initiatives

- Multi-channel innovation
  - Exclusive taste.com.au sponsorship
  - Leveraging customer analytics to deliver personalised offers
  - Enhanced Coles Online website with improved functionality to grow customer traffic

- Strong growth in financial services
  - New credit card accounts doubling
  - New 'no fee' credit card
  - Australia's first consumer trial of Pay Tag™
  - More than 80% growth in insurance policies in the last 12 months
  - New Coles insurance products to come

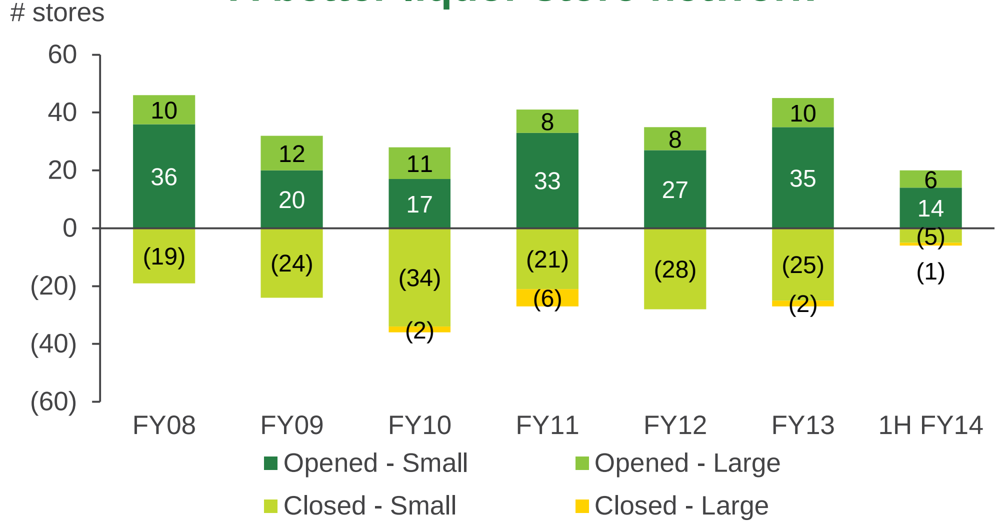
New Coles Online website

Multi-award winning financial services products

Building for future growth

- Reshaping our liquor network
  - Strong net selling area growth of 3.8% since 1H13
  - Six new big box format First Choice stores
  - 14 new Liquorland stores – almost 60% of Liquorland stores are now co-located with a Coles supermarket
  - Continuing focus on store format innovation
- Generating savings to invest in growth
  - Store labour productivity improving
  - Energy costs down 2% despite rising rates
- Driving sales through targeted value offers
  - Compelling promotional offers
  - Focus on key volume lines
  - Personalised offers through flybuys
  - Exclusive offers for Vintage Cellars Wine Club members

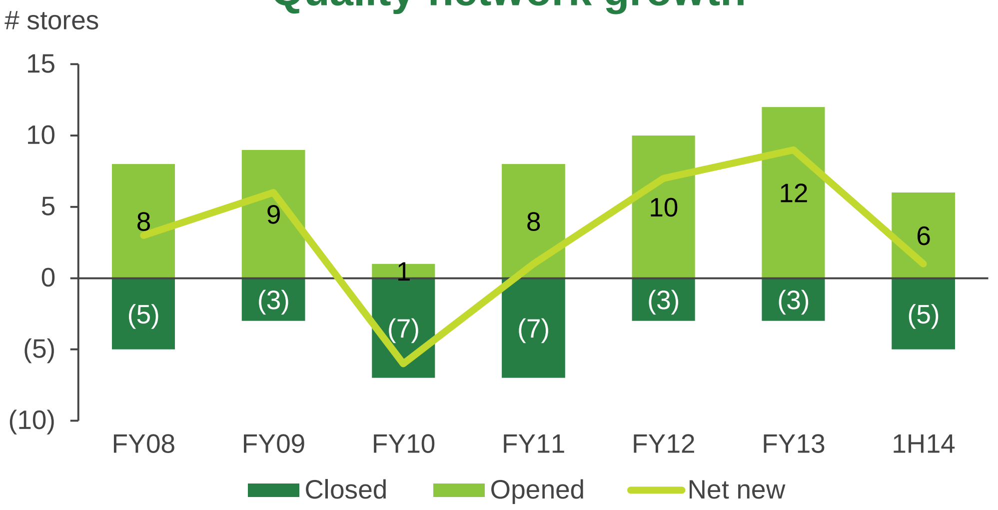
A better liquor store network



Driving our convenience offer

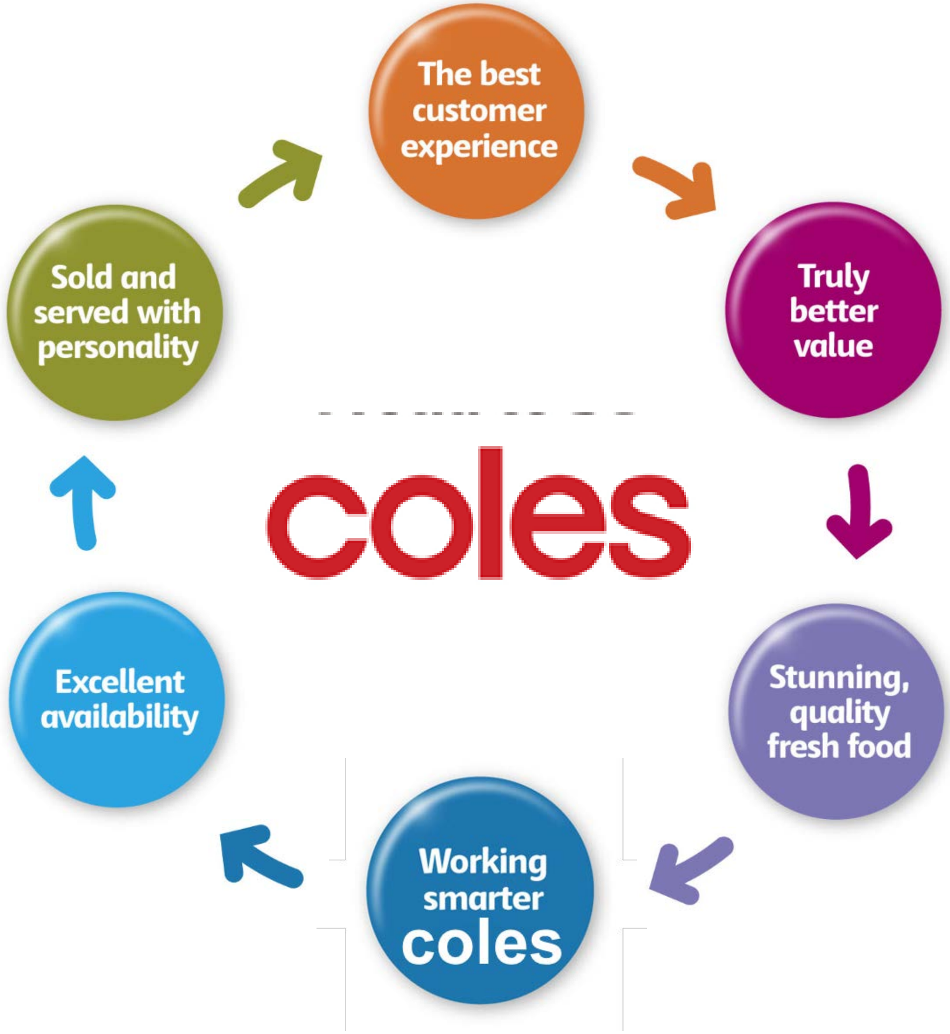
- Market leading fuel offer
  - V Power, No.1 premium fuel in Australia
  - Growing volumes of diesel & premium fuels
- A better convenience store offer
  - Improved range & better value
  - New 'Expresso To Go' & frozen beverages offerings
- Optimising the network
  - Opened six new sites & closed five sites
  - Upgrading existing sites

Quality network growth



Next wave of transformation

- Established platform for sustained growth
- Extending value leadership
- Delivering consistent quality
- Building longer term strategic partnerships with suppliers
- Enhancing the customer experience through innovation
- Building best in class multi-channel capabilities



Home Improvement & Office Supplies

John Gillam
Managing Director

HIOS performance summary

Half-Year ended 31 December ($m)		2013	2012	↕%
Revenue	Home Improvement	**4,434**	4,017	*10.4*
	Office Supplies	**745**	712	*4.6*
	Total	**5,179**	4,729	*9.5*
EBIT	Home Improvement	**562**	518	*8.5*
	Office Supplies	**42**	38	*10.5*
	Total	**604**	556	*8.6*

Home Improvement performance summary

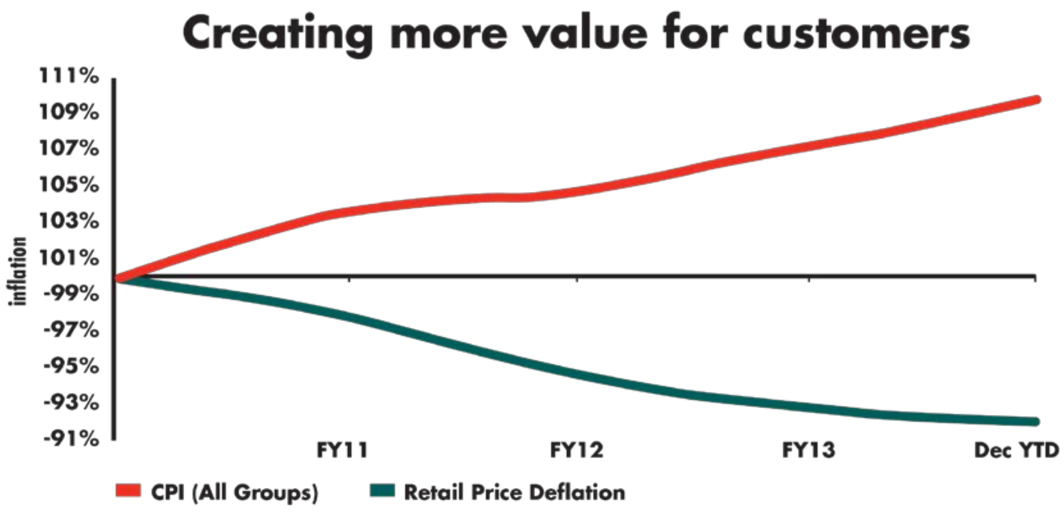
Half-Year ended 31 December ($m)	2013	2012	↕ %
Revenue	**4,434**	4,017	*10.4*
EBIT	**562**	518	*8.5*
Trading EBIT margin (%)	**12.6**	12.8	
ROC (R12 %)	**27.6**	25.5	
Safety (R12 AIFR)	**28.5**	36.7	

Home Improvement highlights

- Revenue growth of 10.4%
  - 10.6% total store sales growth
  - 7.2% store-on-store growth
  - Positive performances in all regions & all categories
  - Good commercial growth
- EBIT growth of 8.5%
  - Strong underlying trading results
  - New store costs in line with expectations
  - Good productivity gains

Home Improvement highlights

- Pleasing outcomes across all growth drivers
  - More customer value
    - » Strong productivity loop traction
  - Better customer experiences
    - » Good service metric trends
    - » Deeper customer engagement
  - Greater brand reach
    - » More stores, more digital, more in-home
  - Expanding commercial
    - » Leveraging strength of network & brand
  - More merchandising innovation
    - » New products & expanded ranges

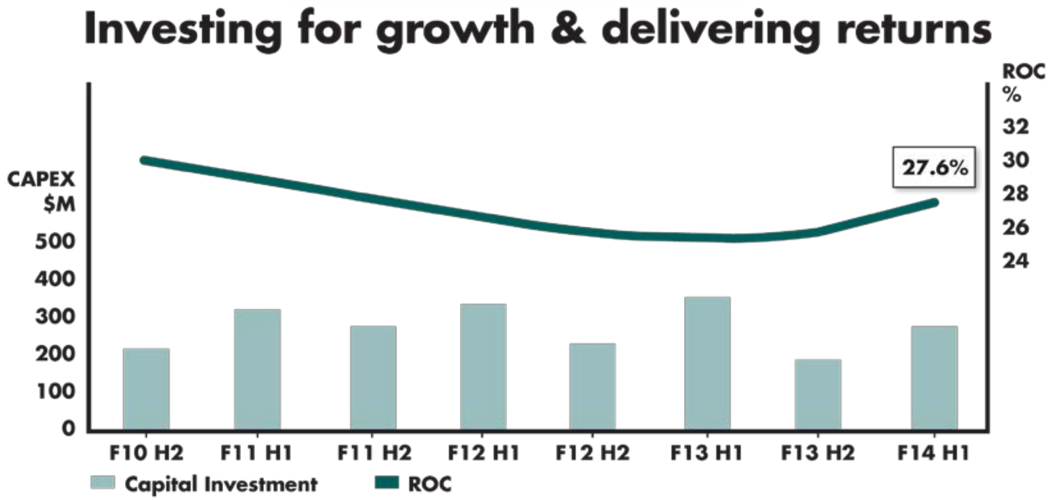


Home Improvement highlights

- Brand reach accelerating
  - Opened 14 trading locations
    - » 11 Bunnings Warehouse stores
    - » Two smaller format Bunnings stores
    - » One trade centre
    - » 15 sites under construction at 31 December
  - Targeted store reinvestment
    - » Faster take-up of best opportunities
    - » Reinvigorating existing network

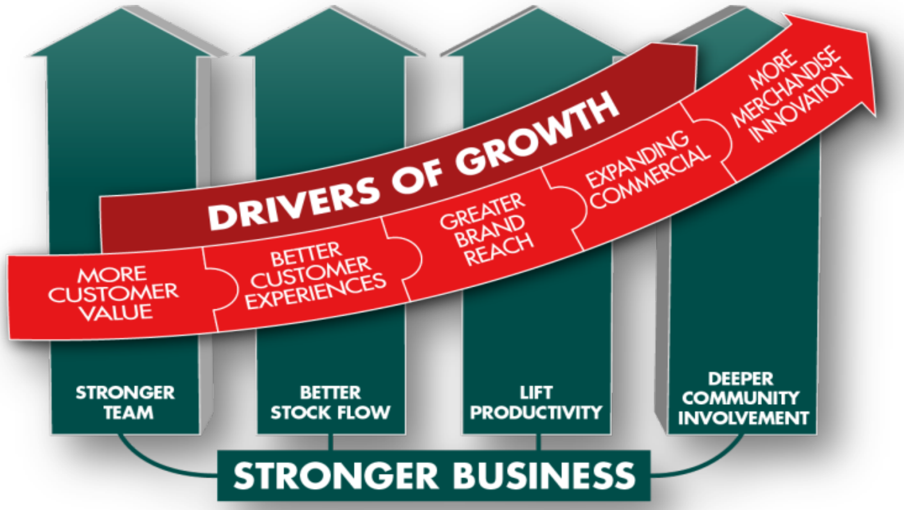
Home Improvement highlights

- "Stronger business" strategies underpin growth
  - Team, stock flow, productivity & community
  - Significant outcomes being achieved
    - » Material gains for customers, team, suppliers, CODB & brand trust
  - Further benefits expected
- Investment for growth continues
  - Capex of $265 million during half
- Benefits from capital management initiatives
  - Innovative securitised lease transaction



Home Improvement outlook

- Continued growth driven through:
  - More customer value
  - Better customer experiences
  - Greater brand reach
  - Expanding commercial
  - More merchandise innovation
- More investment strengthening the core business
  - Team, stock flow, productivity & community
- Faster network expansion
  - On-track to open at least 20 warehouse stores in each of FY14, FY15 & FY16
  - Matched by continued capital recycling initiatives

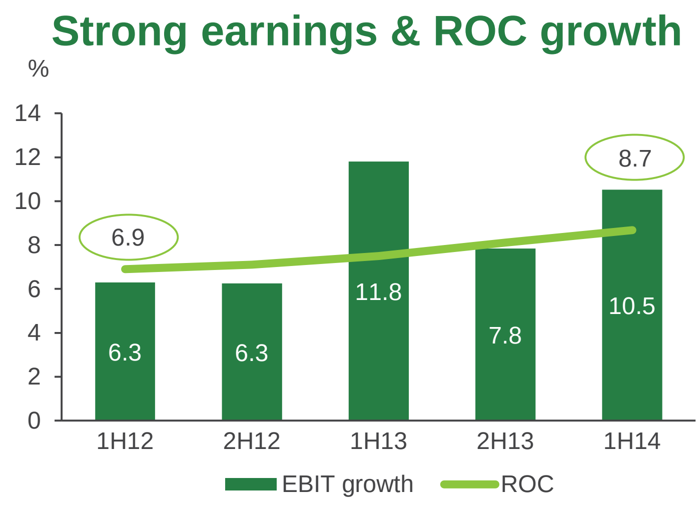


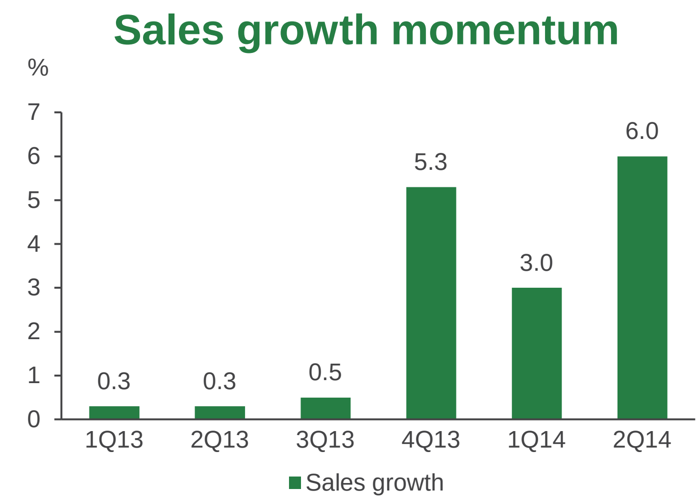
Office Supplies performance summary

Half-Year ended 31 December ($m)	2013	2012	↕ %
Revenue	**745**	712	*4.6*
EBIT	**42**	38	*10.5*
EBIT margin (%)	**5.6**	5.3	
ROC (R12 %)	**8.7**	7.5	
Safety (R12 AIFR)	**25.8**	34.6	

Office Supplies highlights

- Continued strong earnings growth & ROC expansion, up 10.5% & 16.0% respectively
  - Five year 1H EBIT CAGR of 10.9%
  - New categories delivering sales & margin growth
  - ‘Every channel’ investment well received by customers
  - Ongoing focus on productivity & reducing CODB
- Revenue growth of 4.6%
  - Store sales growth gaining momentum
    - » 12 consecutive halves of store transaction growth
  - Nine consecutive halves of double digit online sales growth
    - » Annualised online sales for the half exceeded $180 million





Office Supplies highlights

- In-store merchandising investment
  - New layouts & ranges for store network
    - Approximately 60% of stores completed
  - Delivering sales & margin uplift & improved customer offer
- Rapid & continuous growth in B2B market
  - Multi-dimensional service investment
    - Stores, online, call centre, mobile, face-to-face
  - Significant opportunity for further growth
- Ongoing ‘every channel’ investment
  - Improvement to website & online experience
  - Store network enhancement & expansion (six new stores)

Office Supplies outlook

- Continued growth driven by focus on execution of strategic initiatives
  - Drive “Every Channel” agenda
  - Improve customer offer & service
  - Grow revenue in B2B market
  - Reduce complexity & CODB
  - Develop & engage team

Kmart

Guy Russo
Managing Director

Kmart performance summary

Half-Year ended 31 December ($m)	2013	2012	↕%
Revenue	**2,321**	2,299	*1.0*
EBIT	**260**	246	*5.7*
EBIT margin (%)	**11.2**	10.7	
ROC (R12 %)	**26.8**	22.8	
Safety (R12 LTIFR)	**8.0**	8.6	
Total sales growth[1] (%)	**1.7**	3.5	
Comparative store sales growth[1] (%)	**0.3**	3.0	

[1] 2013 growth reflects the 27 week period 1 July 2013 to 5 January 2014, & the 27 week period 2 July 2012 to 6 January 2013. 2012 growth reflects the 27 week period 25 June 2012 to 30 December 2012, & the 27 week period 27 June 2011 to 1 January 2012.

Kmart highlights

- Customers continue to respond well to Kmart's strategy of providing the lowest prices on everyday items for families
  - 16 consecutive quarters of growth in transactions & units sold
  - Ongoing benefit from the development of product ranges & pricing architecture
- Growth in revenue, EBIT & return on capital
  - Successful removal of Christmas lay-by from mid-year Toy Event
  - Improved product, range & margin management
- Investment in the network
  - Opened three Kmart stores including one replacement & one new Kmart Tyre & Auto store
  - Accelerated refurbishment program with 12 full Kmart store refurbishments completed
- Continued improvement in team member safety

Kmart outlook

- Ongoing focus on growth
  - Volume retailer
  - Operational excellence
  - Adaptable stores
  - High performance culture
- Continuing investment in the store network including store refurbishment activity
- Exchange rate impacts to be managed closely
- Safety remains a high priority
- Further strengthened ethical sourcing
  - Garment factories that Kmart sources from made public

Target

Stuart Machin
Managing Director

Target performance summary

Half-Year ended 31 December ($m)	2013	2012	↕%
Revenue	**1,965**	2,070	*(5.1)*
EBIT	**70**	148	*(52.7)*
EBIT margin (%)	**3.6**	7.1	
ROC (R12 %)	**1.9**	7.1	
Safety (R12 LTIFR)	7.3	8.0	
Total sales growth[1] (%)	(4.4)	1.2	
Comparative store sales growth[1] (%)	(4.2)	(1.8)	

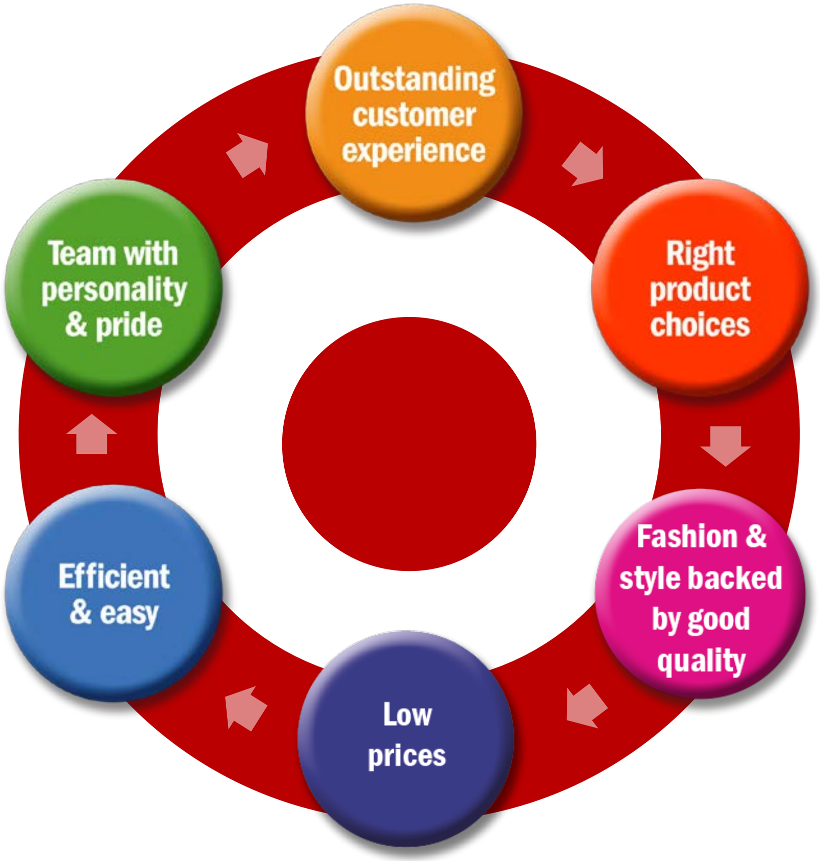
[1] 2013 growth reflects the 27 week period 30 June 2013 to 4 January 2014, & the 27 week period 1 July 2012 to 5 January 2013. 2012 growth reflects the 27 week period 24 June 2012 to 29 December 2012, & the 27 week period 26 June 2011 to 31 December 2011.

Target highlights

- Challenging trading conditions
  - High levels of winter clearance, delaying the launch of spring/summer
  - Transition away from historical reliance on high inventory & heavy promotions
- Inventory position improved
- Costs of doing business tightly managed
- Improvements in store standards, customer service & queue times
- Investment in online store delivering a stable platform for future growth
- Building a new leadership team

Target outlook

- Continuing transition as the business is re-engineered
- Strategic priorities for the year ahead
  - Improve store standards, service & queues
  - Ensure availability of everyday items
  - Reduce SKUs by one-third
  - Strong inventory management
  - Transition to great fashion, style & quality
  - Source at lowest cost
  - Reset pricing architecture
  - Further reduce costs of doing business
  - Focus on talent & performance



Insurance

Anthony Gianotti
Managing Director

Insurance performance summary

Half-Year ended 31 December ($m)	2013	2012	↕%
Revenue	**1,110**	1,035	*7.2*
EBITA Underwriting	**64**	72	*(11.1)*
EBITA Broking	**41**	38	*7.9*
EBITA Other	**1**	0	*n.m.*
EBITA Insurance Division	**106**	110	*(3.6)*
EBITA Insurance Division (excluding EQ2)[1]	**151**	110	*37.3*
EBIT Insurance Division	**99**	104	*(4.8)*
ROC (R12%)	**13.4**	6.7	
Safety (R12 LTIFR)	**1.4**	2.8	
Combined operating ratio (%) (excluding EQ2)[1]	**90.2**	94.9	
EBITA margin (Broking) (%)	**27.0**	27.2	

[1] Excludes $45 million impact on underwriting earnings from reserve increases in relation to the 22 February 2011 Christchurch earthquake (EQ2). ROC would be 16.4% excluding EQ2 reserve increase.

Insurance highlights

- Strong underlying underwriting performance
  - Continued improvement in underwriting performance through disciplined risk pricing, exposure management & claims efficiencies
  - Earned premiums continuing to benefit from rate increases in FY13
  - Favourable claims experience in most portfolios across Australia & New Zealand
  - Claims from natural perils below internal allowances for the first half
  - Continued growth in Coles Insurance
  - Lower investment income associated with lower interest rate environment
- Christchurch Earthquake (EQ2) reserves increased $45 million from 30 June 2013
  - Greater cost certainty on domestic rebuild program – claims cost settlement at 70.2%, ahead of industry average at 59.9%
- Continued income & earnings growth in Broking
  - Growth achieved organically with no significant acquisition activity in the past 12 months
  - Strong revenue & earnings growth in NZ, including favourable movements in exchange rates
  - Higher levels of investment in broking systems & capability enhancement, affecting broking margins in the near-term but positioning the business well for future growth

Insurance outlook

Underwriting

- Sale of underwriting operations to Insurance Australia Group expected to complete in the second quarter of calendar year 2014, subject to regulatory approvals
- Retain focus on strong underwriting discipline & on operational efficiencies
- GWP growth constrained as premium rate increases slow across property & commercial classes
- Continued strong growth in personal lines offering through Coles Insurance
- Lower interest rate environment will continue to affect investment returns

Broking

- Premium rate growth across Australia & New Zealand expected to moderate
- Continued investment in systems & capability to support future growth
- Continue to assess & pursue value-accretive bolt-on broking acquisitions

Resources

Stewart Butel
Managing Director

Resources performance summary

Half-Year ended 31 December ($m)	2013	2012	↕%
Revenue[1]	**764**	826	*(7.5)*
Royalties[2]	**(121)**	(148)	*18.2*
Mining & other costs	**(508)**	(517)	*1.7*
EBITDA	**135**	161	*(16.1)*
Depreciation & amortisation	**(76)**	(68)	*(11.8)*
EBIT	**59**	93	*(36.6)*
ROC (R12%)	**7.8**	19.4	
Coal production ('000 tonnes)	**7,454**	7,017	*6.2*
Safety (R12 LTIFR)	**0.6**	1.0	

[1] Includes traded coal revenue of $3 million (2012: $10 million).
[2] Includes Stanwell royalty expense of $62 million (2012: $91 million).

Resources highlights

- Continued improvement in safety performance
  - Significant reduction in Lost Time Injury Frequency Rate (LTIFR) & Total Recordable Injury Frequency Rate (TRIFR)
- Production & sales of metallurgical coal during the six months to 31 December 2013 at an annualised rate exceeding 8.0 million tonnes per annum
- Lower export coal prices have resulted in a significant decline in export revenue
- Further strong cost performance
  - Sustained ~28% reduction from 1H FY12 peak
- Acquisition of MDL 162 adjacent to Curragh mine for $70 million
  - Approximate 29% increase in coal reserves[1]
  - Mine life extension
  - Completion achieved in January 2014

[1] Refer slides on pages 35 (Acquisition – MDL 162) & 36 (Coal Reserves & Resources Notes) in the 2014 Half-Year Results Supplementary Information also dated 19 February 2014.

Resources outlook

- Export markets
  - Global economic uncertainty continuing to result in variable short-term metallurgical coal demand
- Financial Year 2014
  - Forecast Curragh metallurgical coal sales of 7.5mt – 8.5mt
  - Estimated full-year sales mix (Hard 41%; Semi 31%; PCI 28%)
  - Weighted average export metallurgical coal price (US$) reduction of 5% in March 2014 quarter; recent softening of export metallurgical coal spot prices expected to further reduce Curragh's pricing in June 2014 quarter
  - Sustain cost reductions achieved through continued strong mine cash cost focus
  - Full-year Stanwell royalty estimate of $100 - 120 million at A$:US$0.90
- Growth
  - MDL 162 acquisition announced 20 January 2014
    - » Feasibility study commenced on development options & expected to be completed by end of calendar year 2014

Chemicals, Energy & Fertilisers

Tom O'Leary
Managing Director

Chemicals, Energy & Fertilisers
Performance summary

Half-Year ended 31 December ($m)		2013	2012	%
Revenue	Chemicals	**377**	357	*5.6*
	Energy[1]	**315**	300	*5.0*
	Fertilisers	**80**	118	*(32.2)*
	Total	**772**	775	*(0.4)*
EBITDA[2]		**157**	154	*1.9*
Depreciation & amortisation		**(47)**	(50)	*6.0*
EBIT (excl. sale of ALWA)[2]	**Total**	**110**	104	*5.8*
Gain on sale of ALWA		95	-	*n.m.*
EBIT[3]	**Total**	**205**	104	*97.1*
Sales volume ('000t):	Chemicals	**416**	406	*2.5*
	LPG	**128**	143	*(10.5)*
	Fertilisers	**160**	220	*(27.3)*
ROC (R12 %)[2]		**17.1**	19.8	
Safety (R12 LTIFR)		**2.7**	5.8	

[1] Includes Kleenheat Gas & ALWA (prior to the sale of the 40% interest in ALWA in December 2013).
[2] Includes ALWA earnings for the period prior to divestment in December 2013 (excludes $95 million gain on sale of 40% interest in ALWA).
[3] Includes ALWA earnings for the period prior to divestment in December 2013 (includes $95 million gain on sale of 40% interest in ALWA).

Chemicals, Energy & Fertilisers highlights

- $95 million gain on sale of 40% interest in ALWA
- Construction of expanded ammonium nitrate (AN) production capacity to 780,000 tonnes per annum
  - Commissioning under way & full operation expected, as planned, in Q4 FY14
  - On track to be delivered within approved budget
- Chemicals earnings in line with prior period with strong demand offset by lower production volumes & challenging market conditions in some sectors
  - Planned shutdowns in nitric acid/ammonium nitrate (NA/AN) number 1 plant (major statutory shutdown) & ammonia plant (short maintenance shutdown)
  - Unscheduled NA/AN2 plant outage due to equipment failure
  - Weaker demand for sodium cyanide due to decline in gold price
  - Economic conditions remain challenging for Australian Vinyls (AV)
- Improved Kleenheat Gas earnings, reflecting improved selling prices
- Lower Fertilisers earnings due to reduced sales volumes following a dry June

Chemicals, Energy & Fertilisers outlook

- Focus on commissioning of AN expansion & delivery of additional production volumes
- Continued demand for chemical inputs in Western Australia, supporting ammonia & AN sales, & an earnings contribution following commissioning of the NA/AN3 plant support a positive long-term outlook
- Chemicals' earnings for the second half of FY14 are expected to be significantly below the prior year
  - Reduced production & additional costs resulting from the NA/AN2 plant's unscheduled outage (plant expected to resume production in March 2014)
  - Impact of lower global pricing for ammonia
  - Higher gas costs
  - Weaker sodium cyanide demand
- Kleenheat Gas continues to be challenged by reduced LPG content in the Dampier to Bunbury Natural Gas Pipeline
- Record harvest & strong grain pricing has improved the financial position of many WA farmers, however full-year earnings in the fertilisers business will be dependent on the seasonal break

Industrial & Safety

Olivier Chretien
Managing Director

Industrial & Safety performance summary

Half-Year ended 31 December ($m)	2013	2012	↕%
Revenue	**804**	837	*(3.9)*
EBITDA	**88**	101	*(12.9)*
Depreciation & amortisation	**(15)**	(13)	*(15.4)*
EBIT	**73**	88	*(17.0)*
EBIT margin (%)	**9.0**	10.5	
ROC (R12 %)	**13.5**	16.2	
Safety (R12 TRIFR)	**12.8**	18.9	

Industrial & Safety highlights

- Customer & project activity significantly reduced across Australia
  - Most sectors affected, led by mining
  - Heightened competitive pricing pressures
  - New Zealand businesses & Coregas performed well
- Focused business response
  - Operational & organisational realignment to market needs
  - Closure of 14 branches with subdued customer activity
  - Enhanced customer offer through services & range extensions
  - Strong support from key suppliers, complemented by own brand capabilities
  - Investments in supply chain to maintain strong delivery performance & improve efficiency
- Acquisition of Greencap Limited (safety & environmental risk management services)
- ROC decline partially offset by good working capital management

Industrial & Safety outlook

- Challenging business conditions expected for remainder of FY14
  - Division well placed to respond to market recovery
- Business streams focused on gaining market share
  - Aligning sales resources to support specific needs by industry
  - Product range & services development
- Leveraging opportunities to increase business efficiencies & lower cost of doing business
  - Sourcing, supply chain transformation & ERP upgrade under review
- New growth initiatives accelerated to counter market conditions
  - Industry, geography & channel expansion
  - Innovative MRO[1] models & acquisition opportunities

[1] Maintenance, Repair & Operating

Balance Sheet & Cash Flow

100 years Thousands of stories | Wesfarmers

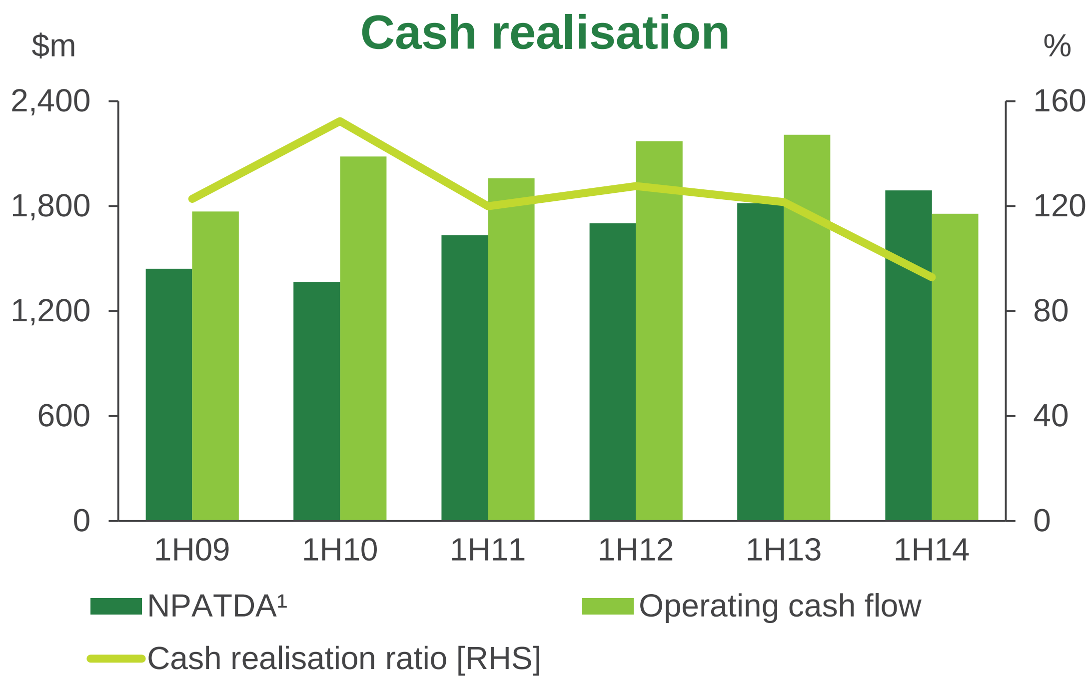
Terry Bowen
Finance Director, Wesfarmers Limited

Other business performance summary

Half-Year ended 31 December ($m)	Holding %	2013	2012	%
Share of profit/(loss) of associates:				
Gresham Private Equity Funds	*Various*	(1)	(11)	*n.m.*
Gresham Partners	*50*	-	-	*n.m.*
Wespine	*50*	3	3	-
BWP Trust	*24*	16	12	*33.3*
Sub-total		18	4	*n.m.*
Interest revenue		3	5	*(40.0)*
Other		(14)	(3)	*n.m.*
Other business sub-total		7	6	*16.7*
Corporate overheads		(59)	(57)	*(3.5)*
Total Other		(52)	(51)	*(2.0)*

Operating cash flow generation

- NPATDA growth of 9.3% & cash realisation of 88.5%
- Lower cash realisation in half driven by:
  - January 2014 settlement of the sale of the Group's 40% interest in ALWA
  - Lower working capital cash inflows from retail portfolio
  - Lower accruals & cash settlements for executive performance plans
  - Increased settlement of aged workers' compensation claims



[1] Adjusted for significant non-cash items.

Working capital management

- Further reduction in net inventory days across retail portfolio supported by business growth
- Continued working capital cash inflows from retail portfolio, although cash flows reduced
  - Non-repeat of strong cash releases in retail working capital turnaround's (particularly in Kmart)
  - Increased inventory associated with retail store network growth
  - Increased offshore (direct) sourcing
- Seasonal working capital cash outflows in Other (including fertilisers)

Half-Year ended 31 December ($m)	2013	2012
Cash movement inflow/(outflow)[1]:		
Receivables & prepayments	91	221
Inventory	(715)	(509)
Payables	451	653
Cash movement	(173)	365
Working capital cash movement:		
Retail	17	545
Other	(190)	(180)
Total	(173)	365

[1] Cash movement relating to inventories, trade & other receivables, prepayments & trade & other payables.

Disciplined capital investment

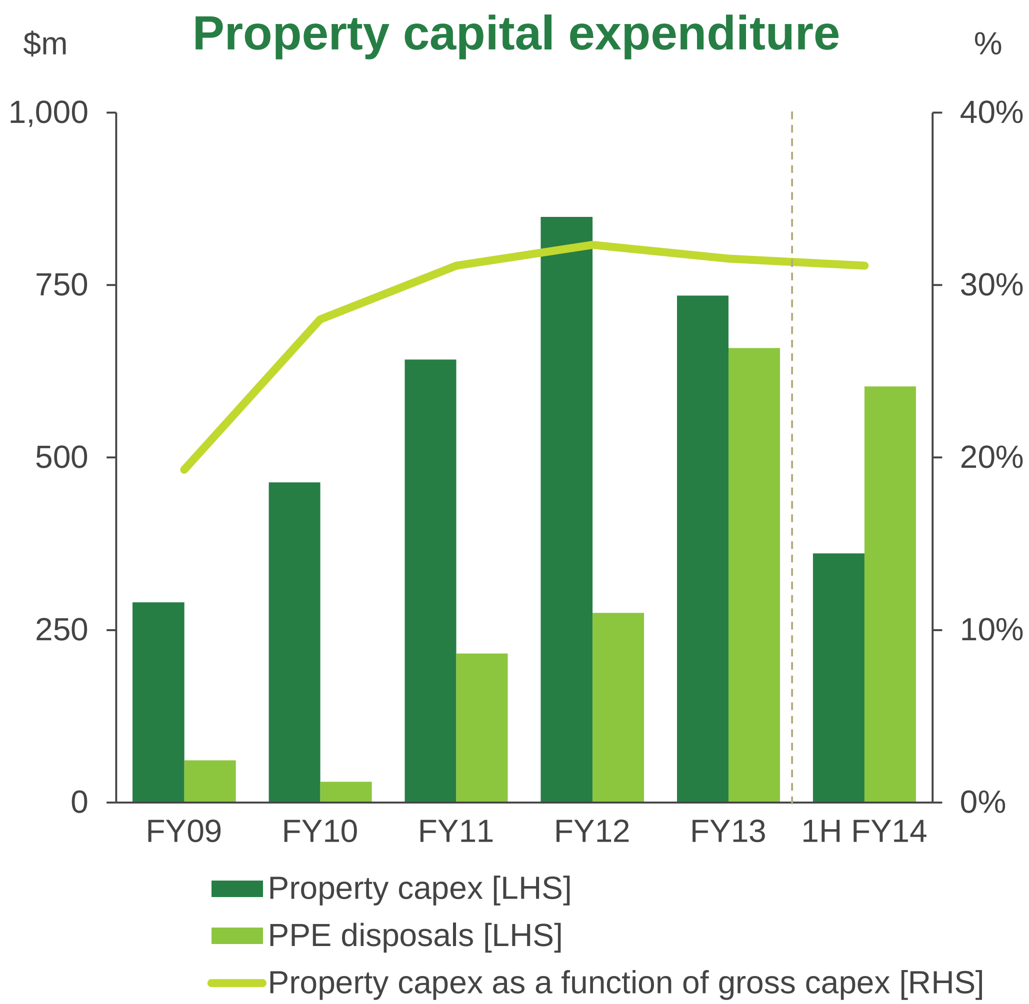
- Continued investment in Coles & Bunnings store networks & accelerated Kmart store refurbishment activity
- AN3 expansion further progressed
- Proactive management of property portfolio driving accelerated disposal activity
  - Proceeds from sale of PPE of $603 million
- FY14 net capital expenditure estimate of $1.2 to $1.6 billion
  - Subject to net property investment

Half-Year ended 31 December ($m)[1]	2013	2012	%
Coles	554	665	*(16.7)*
HI & OS	280	357	*(21.6)*
Target	46	51	*(9.8)*
Kmart	89	49	*81.6*
Insurance	15	12	*25.0*
Resources	33	52	*(36.5)*
Industrial & Safety	17	18	*(5.6)*
WES CEF	126	118	*6.8*
Other	-	1	*n.m.*
Total capital expenditure	1,160	1,323	*(12.3)*
Sale of PP&E	(603)	(203)	*197.0*
Net capital expenditure	557	1,120	*(50.3)*

[1] Capital investment provided on a cash basis.

Property disposals increased

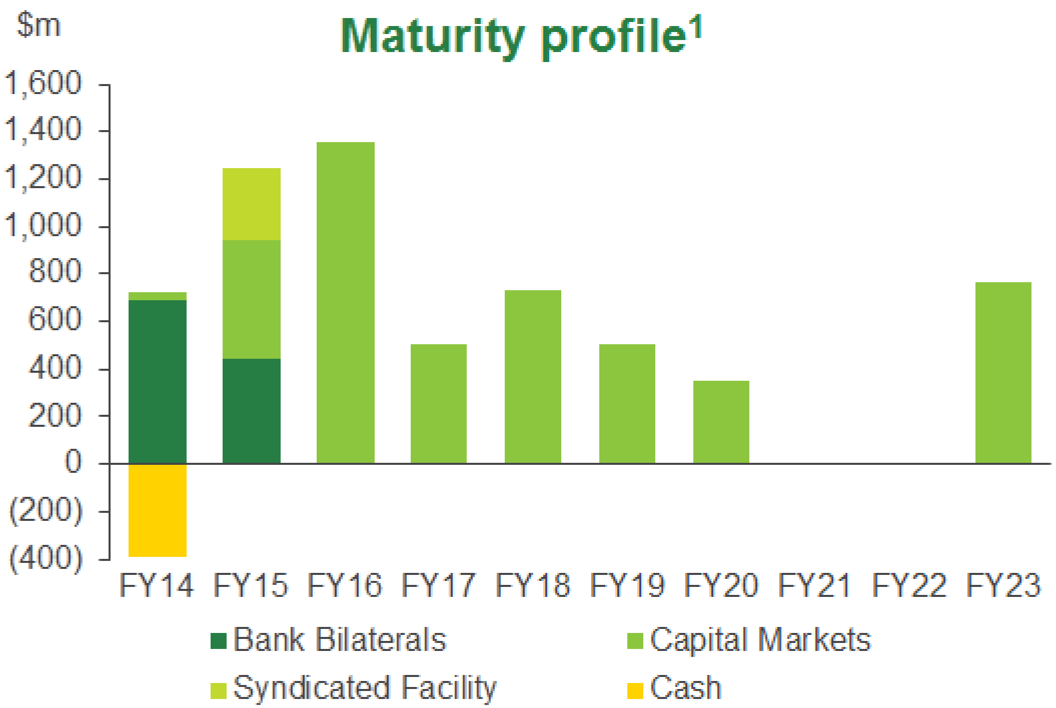
- Recent transactions
  - Sale & leaseback of 10 Bunnings stores to BWP Trust in August 2013 realising $176 million[1]
  - Sale & leaseback of 15 Bunnings warehouse properties via securitised lease transaction in August 2013 realising $309 million
  - Continued use of ISPT JV for Coles disposals (20 sites in JV)

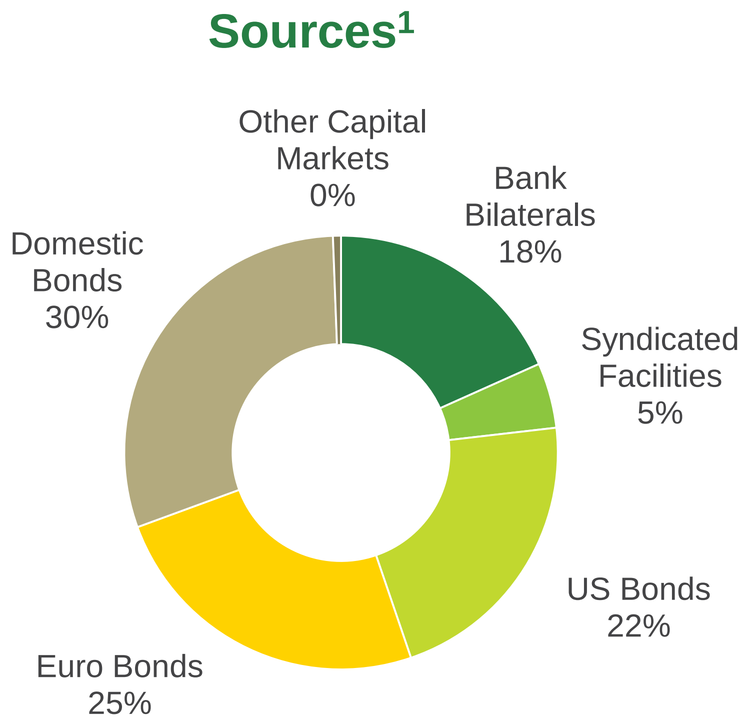


[1] At 31 December 2013, four of the 10 stores to be sold to BWP Trust were contracted for sale but remained under construction/development, with settlement not yet reached and hence proceeds not yet realised.

Diversity of funding sources & risk management of debt maturities

- Strategy to pre-fund maturities, diversify sourcing & extend maturity profile
- $500 million medium term notes maturing in September 2014





[1] Amounts shown based on the drawn amount at balance date of 31 December 2013.

Balance sheet strength & dividend growth

- Continued improvement in liquidity metrics
  - Cash interest cover of 13.8 times (1H13: 11.8 times)
  - Fixed charges cover of 3.0 times (1H13: 2.9 times)
- Strong credit ratings
  - Standard & Poor’s A- (stable)
  - Moody’s A3 (stable)
- Interim dividend $0.85 per share fully-franked, up 10.4%
  - Dividend investment plan; no underwrite; shares purchased on market
  - Dividend record date 28 February 2014; interim dividend payable 2 April 2014
- Capital return of 50 cents per share in November 2013, including a proportionate share consolidation, returning $579 million to shareholders
- Wesfarmers partially protected shares reclassified into Wesfarmers ordinary shares on a one for one basis on 9 December 2013

Outlook

Richard Goyder
Managing Director, Wesfarmers Limited

Outlook

Retail

- Growth to be supported by continued improvements in customer proposition, range & category innovation, operational productivity & store network optimisation
- Strengthened leadership team at Target focused on executing strategic plan with improvement expected over time; short-term challenging trading conditions
- Continued advancement of online offers

Insurance

- Sale of underwriting operations to Insurance Australia Group to complete subject to regulatory approvals
- Continued focus on strong underwriting discipline & operational efficiencies;
- Premium rate growth in broking expected to moderate; continued investment in systems & capability to support future growth

Outlook (continued)

Industrial

- Resources & Industrial & Safety: challenging near-term conditions to continue; ongoing cost reduction focus; well placed to respond to market recovery
- WES CEF: short-term earnings affected by extended outage of NA/AN2 plant; positive outlook beyond this; focus on commissioning of NA/AN3 with contribution expected from 4Q FY14

Group

- Strengthen existing businesses through operating excellence & satisfying customer needs
- Secure growth opportunities through entrepreneurial initiative
- Renew the portfolio through value-adding transactions
- Ensure sustainability through responsible long-term management

Questions

100 years
Thousands of stories

Wesfarmers

For all the latest news visit **www.wesfarmers.com.au**